# Oil Savings Amendment to the Senate Energy Bill

**Purpose:** To reduce U.S. dependence on foreign oil, thereby increasing our energy security and reducing our trade imbalance.

**Summary:** Direct the Secretary of Transportation to put into place regulations that reduce the amount of oil consumed in 2015 by the automobile and light truck fleet by at least 1,000,000 barrels per day, as compared to what would be consumed without such regulations in place. For the purpose of determining baseline consumption, the Secretary shall rely on the Energy Information Administration (EIA) of the U.S. Department of Energy.

- Cars, trucks and SUV's currently consume 7.8 million barrels per day of oil, and are forecast to use 10.6 mbb by 2015 – an increase of over 35 percent. This amendment seeks to reduce that to just 23 percent, or 9.6 mbb.

- The proposal does not specify specifically where or how these savings should occur, but rather would provide maximum flexibility to the appropriate agencies in achieving the objective of using, and therefore importing, less oil.

- The proposal leaves intact the provisions included in the underlying bill, or that have been added during the debate.

- Inreases in the number of vehicles on the road, and total miles driven will increase total oil used in the coming years. However, savings achieved by this proposal will slow growth of the consumption curve.

- The proposal provides adequate lead-time, avoids micromanagement, and encourages innovation in fuels and efficient technologies to achieve the national objective.

**Justification:**

- According to the Energy Information Administration, in 2001, the U.S. consumed 18 million barrels of oil per day, of which 56% was imported. The transportation sector accounts for 68% of that total, or 12.25 million barrels per day, with cars, light trucks, and SUV's consuming the majority of that. The EIA estimates total U.S. consumption between 25 and 28 mbb/day by 2020.

- In 2001, the U.S. imported 9.1 million barrels of oil per day. Approximately 1.65 mbb/day came from Saudi Arabia and 0.82 mbb/day from Iraq.

- Oil imports account for approximately 1/3 of the U.S. trade imbalance and vehicle exhausts are the leading source of carbon dioxide emissions.

- On April 8th,2002 Iraq ceased exports of oil for at least 30 days in response to Israeli occupation of Palestine controlled territory.

- Labor disputes have reduced imports from Venezuela, which is the fourth largest supplier of oil to the United States after Canada, Mexico, and Saudi Arabia.

**Contact:** Jim Reilly in Senator Carper's office – 224-3168.